

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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O 201546Z AUG 75

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC IMMEDIATE 5410

AMCONSUL JERUSALEM IMMEDIATE

S E C R E T SECTION 1 OF 2 AMMAN 5646

EXDIS

JERUSALEM FOR SECRETARY AND PARTY

1. THIS MESSAGE OUTLINES MAJOR OUTSTANDING MATTERS
IN OUR ECONOMIC AND MILITARY ASSISTANCE PROGRAM TO
JORDAN, AS BACKGROUND FOR THE SECRETARY'S FORTHCOMING
VISIT TO JORDAN.

2. IN VIEW OF THE AIR DEFENSE PROBLEM WITH CONGRESS
WE BELIEVE IT WILL BE PARTICULARLY IMPORTANT TO BE
AS FORTHCOMING AS POSSIBLE. THE JORDANIANS ARE
INCREASINGLY CONCERNED THAT THEIR HIGH PRIORITY FOR US
ASSISTANCE MAY BE SLIPPING PARTICULARLY IN RELATION TO
EGYPT AND SYRIA. THEY WILL BE ESPECITLLY SENSITIVE
TO BEING TAKEN FOR GRANTED BECAUSE OF THEIR LONG TERM
FRIENDSHIP WITH THE US. WE REALISE OUR ABILITY TO
BE REASSURING IN LIMITED IN ASMUCH AS WE HAVE NOT ET
SUBMITTED OUR FY 76 FOREIGN ASSISTANCE PROGRAM TO
CONGRESS. WE SHOULD HOWEVER ACQUAINT THE JORDANIANS
WITH THE OUTLINES OF THE MIDDLE EAST PROGRAM AS IT
RELATES TO JORDAN AND WITH OUR PROJECTED PLANS AND
PROSPECTS FOR SECURING CONGRESSIONAL APPROVAL.

3. FY 1976 AID LEVEL-- WE BELIEVE IT WILL BE IMPORTANT
TO ASSURE PRIME MINISTER THAT WE ARE FIRMLY COMMITTED
TO OBTAINING FROM CONGRESS THE FY 1976 AID LEVELS WHICH
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WE PRESUE HAVE BEEN RECOMMENDED FOR JORDAN ON BASIS OF EARLIER

ASSURANCES TO RIFIA AND KING THIS SPRING A) MILITARY ASSISTANCE \$100M GRANT AND \$30M IN FMS CREDIT(TO BE UNDERWRITTEN BY SAUDI ARABIA OR OTHER WEALTHY NEIGHBORS) B) SUPPORTING ASSISTANCE \$75M (INCLUDING \$20M IN ECONOMIC DEVELOPMENT ASSISTANCE) AND C) IN PLO 480 ASSISTANCE (DISCUSSED BELOW).

4. WE CAN ALSO ANTICIPATE THAT PRIME MINISTER RIFAI WILL PUSH HARD FOR EVEN HIGHER LEVELS OF ASSISTANCE. IN JOINT COMMISSION MEETING WITH AID ADMINISTRATOR PARKER. PM RIFIA PUSHED FOR \$100 M IN SUPPORTING ASSISTANCE (\$74 M IN BUDGET SUPPRT AND \$25M IN ECONOMIC DEVELOPMENT AID) ANNUALLY OVER THE FOLLOWING FIVE YEARS. WE WILL BE NEGOTIATING WITH RIFIA OVER THE COMING YEAR THE EXACT SPLIT BETWEEN BUDGET SUPPORT AND ECONOMIC ASSISTANCE AND DO NOT BELIEVE IT NEED TO BE A SUBJECT OF DISCUSSIN DURING THE CURRENT TRIP. IN EVALUATING OUR RESPONSE TO THEIR REQUESTS THE JORDANIANS WILL BE PARTICULARLY SENSITIVE TO RUMOR OF A LARGE US ASSISTANCE PROGRAM BEING NEGOTIATED WITH ISRAEL AND PARTICULARLY TO LEVELS OF OUR ASSISTANCE TO EGYPT AND SYRIA. IT WILL THEREFORE BE IMPORTANT TO ASSURE THEM THAT WE CONTINUE TO GIVE HIGHEST PRIORITY TO THEIR ASSISTANCE NEEDS. ALSO.

5. ECONOMIC ASSISTANCE. THE FOLLOWING ARE MAJOR SPECIFIC TOPIS THAT MAY ARISE. A) BUDGET SUPPORT PM WILL CERTAINLY RAISE MATTER OF US FY 76 BUDGET SUPPORT PAYMENTS. HE ASKED FOR AN INITIAL PAYMENT EARLY IN JULY AND THE EMBASSY RECOMMENDED A PAYMENT OF \$13.5 MILLION UNDER CONTINUING RESOLUTION AUTHORITY IF IT WEE POSSIBLE. WE HAVE SINCE EXPLAINED TO RAFAI THAT JORDAN'S BUDGET SUPPORT IS BUT ONE ELEMNTN IN THE ENTIRE MIDDLE EAST AID PACKAGE WHOSE SUBMISSION TO CONGRESS IS PENDING COMPLETION OF THE ADMINISTRATIONS MIDDLE EAST REVIEW. THIS WILL DOUBTLESSNOT DETER HIM FROM RAISING THE ISSUE. HOWEVER HE WILL PINT OUT INTER ALIE THAT GOJ DOMESTIC REVENUES HAVE FALLEN SUBSTANTIALY BELOW ESTIMATES LARGELY BECAUSE OF JORDAN'S INABILITY TO SELL ITS PHOSPHATE AT ANYWHERE NEAR ORIGINAL PROJECTS (THE ORIGINAL BUDGET REVENUES FROM PHOSPHATE EXPORTS WERE ESTIMATED AT OVER \$95M -JD 30 MILLION.

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THE GOJ IS NOW ANTICIPATING ONLY ONE THIR OF THAT AMOUNT) IN STRINCTLY ECONOMIC TERMS THE GOJ CAN DOUBTLESS SURVIVE A DELAY IN DUBGET SUPPORT PAYMENTS BUT BOTH THE PM AND THE KING CAN BE EXPECTED TO MAKE A STRONG ARGUMENT FOR DEPOSIT

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

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O 201546Z AUG 75

FM AMEMBASSY AMMAN

TO SECSTATE WASHDC IMMEDIATE 5411

AMCONSUL JERUSALEM IMMEDIATE

S E C R E T SECTION 2 OF 2 AMMAN 5646

EXDIS

JERUSALEM FOR SECRETARY AND PARTY

E.O. 11652: GDS

TAGS: EAID, JO, OVIP(KISSINGER, HENRY A.)

SUBJECT: SECVISIT - OUTSTANDING MATTERS IN U.S.-JORDANIAN

ECONOMIC AND MILITARY ASSISTANCE PROGRAM

AT AN EARLY DATE.

B) PL-480: GOJ HAS REQUESTED 80,000 TONS OF WHEAT UNDER TITLE I OF PL-480 FOR FY 1976. THE EMBASSY ENDORSED THIS REQUEST. WASHINGTON AGENCIES CONCERNED HAVE SETTLED ON A 40,000 TON ALLOCATION WITH THE PROVISIO THAT THE ADDITIONAL 40,000 TONS WILL BE CONSIDERED AFTER THE FIRST OF THE YEAR. THE JORDANIANS HAVE HAD A VERY SMALL WHEAT CROP THIS YEAR--ON THE ORDER OF ONE-THIRD OF THE AVERAGE YIELD. THEY ARE ANXIOUS TO MAKE FIRM PLANS TO FILL THEIR IMPORT REQUIREMENTS AND CAN BE EXPECTED TO PRESS HARD FOR THE WHEAT. THE MINISTER OF SUPPLY HAS MADE PERSISTENT INQUIRIES RECENTLY. WE RECOMMEND THAT IF POSSIBLE THIS MATTER BE RESOLVED EVEN BEFORE YOUR ARRIVAL AND THAT WE AGREE TO (1) PROVIDE 40,000 TONS OF WHEAT OVER THE NEXT FOUR MONTHS AND (2) TO REVIEW THE AVAILABILITY OF AN ADDITIONAL 40,000 TONS AFTER THE FIRST OF THE YEAR. OUR RESPONSIVENESS WILL BE CLOSELY SCRUTINIZED IN RELATION TO THE MUCH HIGHER LEVELS OF PL-480 ASSISTANCE TO EGYPT AND PARTICULARLY SYRIA (PARTICULARLY SINCE SYRIA WAS APPARENTLY HIT LESS HARD IN ITS WHEAT HARVEST THIS YEAR THAN JORDAN). WE BELIEVE THIS IS ONE ITEM ON WHICH WE MUST MOVE.

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C) OTHER ECONOMIC ASSISTANCE: ALTHOUGH THE PM WILL BE PRIMARILY CONCERNED WITH MILITARY AID ISSUES PLUS BUDGET SUPPORT AND PL-480, HE MAY ALSO RAISE QUESTIONS REGARDING OTHER ECONOMIC ASSISTANCE. THE GOJ IS ANXIOUS TO MOVE AHEAD WITH FEASIBILITY LOANS ON A MAJOR POTASH FERTILIZER PROJECT AT THE SOUTHERN END OF THE DEAD SEA AND A DAM ON THE YARMOUK RIVER IN THE NORTH. AID IS PLANNING TO HELP WITH BOTH OF THESE PROJECTS BUT THEY ARE ALSO PART OF THE MIDDLE EAST AID PACKAGE BEING HELD UP BY THE ADMINISTRATION.

6. MILITARY ASSISTANCE: ASIDE FROM THE AIR DEFENSE ISSUE (ADDRESSED IN SEP TEL) WE BELIEVE THE JORDANIANS ARE REASONABLY HAPPY WITH THE CURRENT STATE OF OUR MILITARY ASSISTANCE PROGRAM. WE BELIEVE OUR NEW MILITARY WEAPONS SYSTEMS (VULCAN, REDEYE, DRAGON, TOW, AIM 9J, CBUS, T-37 AND F-5E AIRCRAFT) ARE ON COURSE AND THAT WE HAVE NO MAJOR SUPPLY PROBLEMS. WE CAN POINT OUT AGAIN THAT MANY ITEMS HAVE BEEN TAKEN DIRECTLY OUT OF ARMY/ AIR FORCE INVENTORIES. MAJOR OUTSTANDING ITEMS ARE:

A) \$4.2 MILLION MAP "MISUNDERSTANDING": WE UNDERSTAND THE DEPARTMENT DECIDED IN APRIL TO ADD \$10 M TO THE FY 1975 JORDANIAN MAP PROGRAM (TO BRING IT TO \$70 M.) OF \$100 M. REQUESTED FROM CONGRESS. HOWEVER WITHOUT INFORMING THE JORDANIANS DOD DEDUCTED \$4.2 M FOR SUPPLY OPERATIONS AND WHEN THIS WAS OVERRULED, ALLOTTED \$4.2 M FOR REHAB FOR TRACKED ARTILLERY EQUIPMENT EVEN THOUGH JORDANIANS WISHED TO RECEIVE THEM IN CURRENT OPERATING CONDITION WITHOUT REHAB. JAF IS AWARE OF PROBLEM BECAUSE IT HAS DELAYED SHIPMENT OF ARTILLERY UNDER 1975 GRANT AID PROGRAM. WE BELIEVE WE SHOULD ACCEED TO JORDANIANS WISHES, RESTORING \$4.2 MILLION TO THEIR PROGRAM AND SHIPPING TRACKED VEHICLES IN CURRENT OPERATING CONDITIONS AFTER INSPECTION AND ACCEPTANCE BY JORDANIAN FIELD TEAM. IF QUESTION ARISES DURING VISIT, SUGGEST YOU INDICATE WE WILL RAISE ISSUE UPON RETURN TO U.S. AND ATTEMPT TO RESOLVE IT TO GOJ SATISFACTION.

B) PURCHASE OF H-53 TROOP CARRYING HELICOPTERS AND COBRA WITH TOW; EITHER OR BOTH SUBJECTS MAY BE RAISED AND BOTH MIGHT AFFECT HAWK PROBLEM IN CONGRESS. BOTH SUBJECTS SHOULD BE HELD IN ABEYANCE UNTIL CONGRESS HAS RULED ON HAWKS.

C) C-130: LETTER OF OFFER FOR \$10 M SENT TO RJAF BUT THEY
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HAVE COMPLAINED OVER HIGH COST WHICH COVERS AIRCRAFT, AGE AND SPARES. IF RAISED, SUGGEST WILLINGNESS TO GET DOD TO REVIEW.

D) JORDANIANS COULD POSSIBLY RENEW REQUEST FOR F-5 A/BE AIRCRAFT THAT WERE RETURNED FROM SOUTH VIETNAM. KING HUSSEIN HAS

PERSONAL INTEREST AND JORDANIANS BADLY WANT TO REPLACE 21 F-104
A/B AIRCRAFT AND WOULD DO SO IF JORDAN CAN RECEIVE EQUIVALENT
NUMBER OF F5A/B AND ES. WE SUGGEST BEING AS FORTHCOMING AS PRESENT
POLICY WILL ALLOW FOR SOME TRADE FOR THE PRESENT AGING F-104'S
WHICH ARE GETTING HARDER AND HARDER FOR RJAF AND US TO MANAGE
AND KEEP FLYING.
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